

## **A RESOLUTION ESTABLISHING A FORMAL WARRANTY PROCESS FOR SUBDIVISION IMPROVEMENTS.**

WHEREAS, when a subdivider/developer subdivides property they are required by ordinance to construct certain public improvements in conformance with the currently adopted version of the City's Standard Specifications for Public Works Construction; and

WHEREAS, the City's Standard Specifications for Public Works Construction requires that subdividers/developers provide a warranty for public improvements that they are required to install for a period of two years after the City has accepted the improvement; and

WHEREAS, the City does not currently have a formal process that insures that any repairs and/or replacement of public improvements that are still within the warranty period are completed at the subdivider/developer's expense; and

WHEREAS, the City Council of Rapid City has determined that it is in the City's best interests to adopt a formal process for insuring that any warranty work be completed at the subdivider/developer's expense rather than at the expense of the City.

NOW THEREFORE, BE IT RESOLVED, by the City of Rapid City, that the following process be adopted to insure the completion of repairs for public improvements that are covered by a warranty period:

1. Once the subdivider/developer requests final inspection, Growth Management will inspect the site and prepare a final punch list. In order for Growth Management to issue the final punch list the public improvements must be substantially complete and can be put to their intended use and all testing must have been completed and the required results met.
2. Surety shall be posted by the subdivider/developer in an amount sufficient to ensure completion of the punch list items (including, but not limited to any corner ramps, sidewalks for drainage lots or other sidewalk components that are the subdivider/developer's responsibility under the City Code and which have not been installed at the time of final inspection).
3. The subdivider/developer shall provide a warranty bond, cash, letter of credit, or other acceptable surety in an amount equivalent to ten percent (10%) of the total cost of the required public improvements. This surety will be in a form acceptable to the City and will be required to specifically secure any necessary warranty work that is the subdivider/developer's responsibility for a period of two years from the acceptance of the public improvements by the City.
4. Once the final punch list is completed and the City has received the surety to cover the warranty period, Growth Management shall issue a letter accepting the public improvements on behalf of the City. The issuance of an acceptance letter shall

start the running of the warranty period. Growth Management shall provide a copy of the acceptance letter and the surety to the City's Public Works Department for tracking of the warranty period.

5. The repair and/or replacement of any public improvements covered by the warranty period will be pursuant to the guidelines established in Section 7.65 of the City's Standard Specifications for Public Works Construction. If a subdivider/developer fails to meet their obligations under Section 7.65, the City can draw on the surety in order to complete the necessary work or to be reimbursed for work that has already been done.

6. The Public Works Department will track the two year warranty period and complete a final warranty inspection in approximately the twentieth month. The Public Works Department shall contact the subdivider/developer in order to schedule the final warranty inspection at a time when the subdivider/developer or their representative can also be present. Once the warranty inspection has been completed the Public Works Department will either issue a letter requiring repair and/or replacement of any improvements under the warranty per the guidelines in Section 7.65 or will allow the surety to expire.